



July 28, 2006

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Room TW-A325  
Washington, D.C. 20554

**Re: WT Docket No. 94-102**

Dear Ms. Dortch,

The letter is submitted on behalf of GTE Pacifica, Inc. ("Pacifica"), d/b/a/ Pacific Telecom, Inc. ("PTI"), the wireline-side cellular licensee for the Commonwealth of the Northern Marianas Islands ("CNMI"). The CNMI, a self-governing Commonwealth in political union with and under the sovereignty of the United States of America, is a three hundred mile archipelago consisting of fourteen islands, the largest inhabited islands of which are Saipan, Rota and Tinian. The CNMI is located approx. 150 miles north of Guam in the Micronesia area of the eastern Pacific Ocean, over 5,000 miles from the mainland U.S. PTI provides wireless service principally via CDMA 1x technology, which it has generally overlaid coextensive with the coverage of its legacy TDMA and analog platforms.

On March 29, 2006, the Commission granted PTI's request for an extension of time until June 30, 2007, to comply with the requirement in Section 20.18(g)(i)(v) of the Commission's rules that carriers employing a handset-based E911 Phase II location technology must achieve 95 percent penetration among their subscribers of location-capable handsets. *See Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems – GTE Pacifica, Inc. d/b/a Verizon Pacifica Request for Waiver*, CC Docket No. 94-102, FCC 06-40 (rel. Mar 29, 2006). In order to monitor compliance with the relief granted, the Commission required PTI to file status reports quarterly beginning May 1, 2006, and ending June 30, 2008. *Id.* at paragraph 19. The first report was filed May 1, 2006; this is the second quarterly report.

**1). The Number and Status of Phase II requests from PSAPs.**

The CNMI Department of Public Safety ("DPS") is the single entity charged with implementing the E911 system. Its jurisdiction covers all three populated CNMI islands, Saipan, Tinian and Rota. To date PTI has not received any CNMI government agency or PSAP request for E911 Phase I or II.

The CNMI recently (Nov. 2005) went through a general election. Consequently there have been several personnel changes throughout the ranks of the CNMI Dept. of Safety DPS.

New CNMI-DPS personnel have indicated that the CNMI government is trying to identify Homeland Security grant funding for two-way radios and other communication equipment. CNMI-DPS is now trying to identify alternative revenue sources for the funding of its E911 system.

**2). The dates on which Phase II service will be available to PSAPs served by PTI's network.**

Notwithstanding that CNMI-DPS has not requested Phase I or Phase II and continues its search to secure funding from different sources, as a carrier we are actively preparing ourselves for the eventual islandwide deployment of PSAP Phase II – and are working towards satisfaction of the 95% handset penetration deadline of June 30, 2007. We plan to work in parallel with the CNMI - DPS and assist them with the implementation of the E911 system when its E911 funding becomes available. We will periodically hold meetings with CNMI-DPS to track progress.

**3). The Status of PTI's coordination efforts with PSAPs for alternative 95% handset penetration dates.**

We will continue the E911 dialog with the new CNMI Communication officer Mr. Bill Rathburn to ensure steps are being taken to address the relevant issues.

Other coordinated efforts include use of all our media products (newspaper, radio, TV, flyers, billing inserts and billing memos) to inform and encourage our subscribers to move over to a location-capable CDMA handset.

A subscribers campaign has been launched to inform them of the benefits of E911. Subscribers have been informed that by upgrading to a CDMA handset that eventually they will automatically be able to transmit their location information to DPS when calling 911. Other campaigns include marketing the superior battery lifetime of a CDMA handset and informing consumers that CDMA handsets are smaller and easier to carry, and that CDMA handsets have stronger reception both on-island and out on the ocean (e.g. for use while fishing).

**4). PTI's efforts to encourage customers to upgrade to location capable handsets.**

Our efforts to-date include to continue to offer a "FREE! \$5.00 Prepaid Calling Card" to subscribers that "TRADE-IN" their former TDMA handsets. We are promoting this at the popular Thursday Night Street Market and supporting it with  $\frac{3}{4}$  page - full color newspaper ads (see supporting newspaper ads) as well as radio ads with 100% rotation on Thursdays. Staff also hands out posters/flyers during this event. Surrounding our TRADE-IN offer we have revised our Postpaid Airtime Rate Plans – offering subscribers lower per minute rates and "FREE! Local Texting." Additionally, we have gone to a flat \$0.20 per minute Prepaid Rate to encourage subscriber usage and thus to purchase a newer handset.

Other promotions conducted since our last report include: The Flame Tree Arts Festival, a 3-day event, the Northern Marinas College Charter Day, and Philippine Independence Day. During all of these events we catered to and targeted our Prepaid subscribers with economically priced handsets. Plus, we are now advertising in the local Beach Road magazine that caters to the 18 - 25 segment of the population - our core Prepaid subscriber base.

Additionally, we have brought in more of the popular ALI-capable Nokia 6015, Kyocera SoHo and the LG 3200 handsets. All come with color display screens and enhanced features. The Nokia and Kyocera are priced at \$99 and the LG 3200 is priced at an affordable \$75.

We also have made up banners that promote the benefits of CDMA 1x features, i.e., BREW content (ringtones, wallpaper and games), new embedded ringbones on CDMA handsets, more stylish handsets to choose from.

Other on-going CDMA incentives are being planned to encourage and entice TDMA subscribers to switch to a far superior CDMA 1x handset. Promotions include allowing the subscriber to switch out both his phone and airtime rate plan without incurring any penalty for switching from a (currently higher-priced) TDMA airtime plan to a new CDMA airtime plan.

We also will hold other special events wherein subscribers will have the opportunity to trade-in their old TDMA handsets and receive a good discount on a new ALI-capable handset. This event is especially marketed to our prepaid subscribers – our largest group of TDMA users.

Billing inserts will be provided in upcoming billing statements that will include:

"Enjoy the coolest ring tones, the most colorful wallpapers and super games at your fingertips with PTI's CDMA 1x cellular handsets! Better battery lifetime, quality reception stylish phones! Hear the difference a CDMA 1x phone will mean to you!"

"Switch to a new CDMA 1x cellular phone and switch your airtime plan at the same time with out any penalty. Get a better phone and a better plan with PTI! Hear the difference a CDMA 1x phone will mean for you!"

**5). The percentage of PTI customers with location-capable handsets.**

As of July 2006 PTI is at 58.8% penetration of location-capable handsets, an increase of 3 percent since data had last been reported to the FCC.

**6). Detailed information on PTI's status in achieving compliance and whether it is on schedule to meet the revised deadline.**

As discussed in its December 19, 2005, request for waiver in this docket, PTI launched its CDMA technology platform in 2004; and all CDMA handsets sold since have been location-capable. PTI plans to retire its legacy TDMA network in mid-2007 and in any event prior to the June 30, 2007 deadline for achieving 95 percent penetration. No handsets that are not location-capable have been activated in the CNMI since late 2004. Moreover, as of October 2005, PTI has ceased supporting legacy TDMA handsets with either new batteries or other accessories. After the phase-out of the legacy TDMA network, all PTI wireless subscribers, with the possible exception of a couple hundred subscribers using analog handsets, will have location-capable handsets, thereby allowing PTI to meet the 95 percent benchmark.

Respectfully submitted,

/s/

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